

Comparison of Existing EZ Program and New EZ Program
(New Program goes into effect July 1, 2005)

Existing EZ Program	New EZ Program
Most incentives are structured as tax credits	Incentives are structured as grants
Costs are capped at \$21 million by tax credit authorization and budget allocation	Costs will be capped at \$21 million through budget allocation and tax credit allocations
No minimum job creation needed to access job creation tax credit	Jobs created above a four job threshold may be eligible to receive job creation grants
Job creation tax credits are based on a percentage of the qualifying business' tax liability	Job creation grants will be based on a set amount per job
No limit on the amount of job creation tax credit a business can receive	Businesses can receive grants for a maximum of 350 eligible jobs per year
No limitations on which industry sectors can use the job creation credits	Job grants will not be available to retail, local service or food/beverage service businesses (Certain NAICS codes restricted from applying)
No differentiation between quality of jobs	Jobs paying 200% of federal minimum range and provided with health benefits will be eligible for a grant of \$800 per year for five years. Jobs paying less than 200% of minimum wage, but at least 175% and provided with health benefits will be eligible for a grant of \$500 per year for five years. Jobs paying less than 175% of minimum wage will not be eligible for job grants.
Businesses creating 50 jobs with an investment of \$15 million must negotiate the level of tax credit, not to exceed prescribed levels	No negotiation provisions
A negotiated tax credit of up to 5% of investment is available to projects involving \$100 million investment and 200 new jobs	No special large project or deal closing incentive provided
A refundable tax is available to businesses making real property improvements	A grant is available to entities and individuals making real property improvements (No NAICS code restrictions on applicants)
Must meet an eligibility threshold of \$50,000 of improvements or an amount equal to the assessed value prior to improvements for rehabilitation or expansion projects	Must meet an eligibility threshold of \$50,000 for rehabilitation or expansion projects
Must meet a \$250,000 eligibility threshold for new construction projects	No change
Tax credits are not available for the residential portion of mixed use projects and the residential aspects cannot count toward the eligibility threshold	Mixed use projects that are at least 30% business use can qualify for real property investment grants
Only entities that both make the real property improvements and conduct business at that location are eligible to receive the real property improvement tax credit.	Any entity or individual making qualified improvements can receive a real property investment grant.



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Tax credit is based on 30% of qualified improvements not to exceed \$125,000 within a five-year period for the tax entity	Projects with less than \$2 million in investment are eligible for a grant based on 30% of the qualified real property investments, not to exceed \$125,000 within a five-year period for a specific building or facility. Projects of \$2 million or more are eligible for a grant based on 30% of the qualified real property investments, not to exceed \$250,000.
Zone area must meet at least one of three statutory distress criteria in order to be eligible to apply for zone designation. Criteria include: 1) 25% of zone residents must have incomes below 80% of the area median income; 2) The unemployment rate in the zone must be 150% of the statewide average; 3) the commercial/industrial floor vacancy rate must be at least 20%.	No eligibility criteria must be met in order to apply for designation. At least 50% of the evaluation for designation must be based on the following distress factors: 1) Average unemployment rate for the most recent three year period; 2) The average median adjusted gross income for the most recent three year period; 3) The average percentage of public school students receiving free or reduced lunches over the most recent three year period.
Distress criteria are based on the geographic zone area	Distress factors are based on the applicant jurisdiction
Joint zone designations may be made for adjacent jurisdictions	Joint designations may be made where applicant jurisdictions can demonstrate regional need and impact beyond what a single jurisdiction can achieve and where specific mechanisms will ensure that economic benefits are shared among participating jurisdictions
Cities, counties and towns may apply	Cities and counties may apply. Towns may be included within the geographic area of county zones
CPA certification is required	CPA attestation is required
No specific monitoring role for DHCD	DHCD will monitor grant documentation and repayment may be required where documentation is insufficient.
Up to 60 zones authorized	Existing zones would continue, but new designations are limited to 30.

